

Milford Capital Improvements Plan (CIP) Report for 2006 – 2011

Introduction - The Milford Capital Improvements Plan, or CIP, is a critical component of the Town's short-term and long-range community planning process. As authorized in NH RSA 674:5, in a municipality that has an adopted master plan, the local legislative body may authorize the Planning Board to prepare and amend a recommended program of municipal capital improvement projects over a period of at least six years. The CIP may encompass major projects currently underway, and/or future projects to be undertaken with public funds. Tailoring the CIP to the needs of the community allows projects to be classified according to urgency and the need to see them realized to support Town services. Included in the CIP are estimated costs for each project, probable operating costs when known, eligibility for impact fee assessment, and anticipated funding sources.

Definition - The Capital Improvements Plan (CIP) contains the capital improvement projects recommended by the CIP Committee, as approved by the Planning Board and the Board of Selectmen. CIP projects were requested from all Town Departments and Commissions and the Milford School. Project requests/plans were submitted by the following:

- Town Administrator
- Town Department Heads (Ambulance, Department of Public Works (Highway, Water, WWTF), Fire, Library, Parks and Recreation, Planning,)
- Milford School Board

A project is eligible for consideration if the total cost is over \$75,000 and the project is reasonably expected to have a useful life of at least five (5) years. Replacement vehicles, although often acquired in groups, are not eligible unless the single unit value is equal to or greater than \$75,000.

Purpose - The Milford CIP attempts to link, within a rational framework, the provision of needed facilities, products, or services with the spending necessary to attain such items. The CIP must address the goals and intent of the master plan with fiscal realities. A well-supported and thoughtfully prepared Plan should provide the following benefits to the community:

- Provides a plan which anticipates the investments necessary to address the demands of growth or non-growth situations;
- Establishes a format for improved communication and coordination between the Planning Board,
- Town departments, Administrator, the Selectmen, the School Board, and various other boards, committees, and commissions;
- Projects the distribution of the tax burden across the Plan years;
- Develops a fair distribution of capital costs through the use of capital reserves, bonding, user fees, and other funding mechanisms;
- Establishes a foundation for impact fees and growth management techniques;
- Supports economic development by indicating where and how the Town plans to invest in its infrastructure.

Process - The Planning Board is charged with directing the capital improvement planning process, based upon the Town's adopted master plan goals and recommendations. The Planning Board established a CIP Committee consisting of volunteers representing several elements of Town operation. The following individuals served on the CIP Committee for 2005:

Chairperson	Chuck Sweeney
Planning Board	Paul Blanchette
Member at Large	Dawn Condra

Budget Committee	None
School Board	Peter Bragdon
Facilities Committee	Donna Barr

The committee follows a five-step process in accumulating, analyzing, evaluating, ranking, and allocating to Plan years the projects submitted for review.

Step 1 Request update of previously submitted projects and submission of new projects using the Town CIP form. For future years, projects are to be submitted with a reference to their Project # (listed in each of the Tables in this Report) to facilitate easier identification and review of projects. Each project is also to have a Statement of Need in addition to the Description. The Statement of Need should enable the committee to understand why the project is required for continuation or increase of Town services and the impact of delaying or not accomplishing the project.

Step 2 Listen to the presentations and discuss each project with the submitting Department Head or Commission Chairperson. The Committee started later in the calendar year than desired and had difficulty scheduling all Department Heads. Recommend the next CIP Committee begin requesting Project submissions shortly after April 15th.

Step 3 The committee members study the projects individually and through group discussions. Evaluation includes review of the level of preparation applied to the requested project. The Committee determined that a policy shall be established that a minimum of a conceptual drawing or architect's rendering is required for any facility, which is expected to be placed in the next three (3) years of the CIP "window". All projects submitted in 2004 are being recommended for inclusion in the Report. Such result may not always be the case if the Committee determines that a project has not established sufficient need or is not likely to achieve support during the plan years. The Planning Board can bring a project back onto the CIP during their review.

Step 4 The committee ranks all projects on a 1 – 5 numerical scale based on perceptions of Need (is the project vital to Town operation); Urgency (what will be the consequences if the project is postponed or never accomplished); and Completeness of Request (concept, rationale, pictures, drawings, demand level by citizens).

Step 5 Using the requestor's recommendation as a starting point, the committee discusses and develops a consensus on the recommendation for the year in which the Project should be placed on the Town Warrant. For projects requiring bonding the tax impact will be felt the year after the Warrant Article passes. The committee adjusts recommended Warrant Article and funding years to smooth the fiscal impact and maintain an affordable debt level each year. The committee considers the overall debt load from all bonded or lease purchase acquisitions by the Town and the School.

Upon completion of the five-step process, the committee:

- Prepares the final report;

- Prepares a summary and briefing of their results for the Planning Board

- If requested by the Planning Board – briefs the Board of Selectmen on the CIP Committee results.

- Provides electronic copies of the report to the Planning Board and Planning Director for report publication and distribution.

The number of important requests for capital improvements for the Town of Milford; either proposed by Town departments, by the schools, or for the Water and Waste Water Department (for which those specific expenses are usually picked up exclusively by user fees) is quite large for the upcoming 7 years. It was challenging for the CIP Committee to determine the priority of so many needed capital improvement projects. One of the largest challenges encountered as we were trying to leverage the continuation of the CIP work from 2004 to 2005 was the unplanned expense for the Town taxpayers for the purchase of the Mile Slip Road land purchase. The approval of this multi-million purchase by the voters as presented as a warrant article by the Conservation Committee last year was done so with no advance budget within the CIP process. This purchase will begin impacting our general fund debt in the amount of \$212,760 in 2006 and will continue to be part of the ongoing General Fund Debt through 2026. This unplanned land purchase outside of the CIP process had an impact on a number of other project time lines as the Committee made an effort to keep the continued yearly debt impact on the tax rate to taxpayers as level as possible from prior years.

There were a number of projects reviewed that the CIP Committee wanted to comment on in addition to challenges created by the unplanned land purchase. These specific comments were related to the requests for the Wadleigh Library Renovation and Expansion, the Keyes Field Expansion & Upgrade, the Milford High School Renovation, the Bales School Renovation, and a number of Water and Waste Water Department requests. These comments are the views of the committee in general, and do not necessarily reflect the opinions of all individual members.

The request for the Wadleigh Library submitted to be included in this year's CIP was for a 2010 renovation and expansion in the amount of \$2.4 million. The committee would like to see a project design for a staged approach to both renovation and/or expansion. Considering the number of other large projects needed in the community over the next 7 – 10 years, it is the belief of the committee that a new segmented plan should be developed to lessen the immediate impact on the tax base compared to the single large plan presented this year. While the project has been placed on the CIP for 2010, it is the belief of the committee that preparation for next year's CIP should begin now with development of a detailed plan with the Facilities Committee. The Committee has recommended that the Park & Recreation Department create a new plan for Keyes Field Upgrades and Expansion. This year's request for 2008 for a \$1.1 million project is too large for the tax base to absorb with all the other large capital improvements on the calendar. The Committee would like to see a segmented approach to improvements and/or expansion with perhaps even a more segmented approach than we saw in the two phase approach outlined in the 2004 CIP request. The good news is that the Committee intentionally left a small "dip" in the tax rate impact for 2007 in the Capital Improvement

Plan for one of these projects or other expected capital improvement needs that might come up for next year's CIP Committee and/or consideration by the Budget Advisory Committee.

The Milford High School Renovation approach is a complex one. With the aging of the Milford High School, we have been appropriately investing in regular renovations and improvements with yearly warrant articles in the amount of roughly \$250K each year. While this approach makes the budgeting and tax impact minimal each year, by taking this approach, we are missing out on our opportunity to obtain State Building Aid in the amount of 30% (40% if Mason high school students join Milford in the future). If we choose to pursue all the needed renovations and improvements in a single project in the amount of \$8 million, the Town would be able to secure State Building Aid of \$2.4 million over 20 years. The problem is that we would have to bond the difference in a single project versus regular and ongoing expenses each year. The CIP Committee has outlined an approach for regular \$250K improvement projects for the next three years with a proposal for a single project in 2008. This does create a significant "bubble" of tax rate impact that will need to be debated by both Town entities (Town and School) with further refinement of the long term plan in the 2006 CIP process. It should be noted that if the approach of pursuing a single large bond fund in 2008 in order to secure building aid from the State, the CIP should be adjusted in 2006 to revert back to annual renovation projects of \$250K annually.

The Bales School Renovation was another difficult topic for the Committee. The Committee visited and toured the Bales School during this year's CIP process. The Bales School is in serious need of renovation, and something needs to be done to enable Milford to continue to utilize at least part of the school as we are today. Additional evaluation on the investment of \$3.4 million and the overall long term School plan is needed. The committee felt that something should be done with the building, but some members had concerns in investment of such a large amount in debt versus the potential gain in school space. We have included the Bales School Renovation in the CIP Plan for 2008 (versus the submission for 2007). Additional research and consideration should be made with detailed enrollment, overall space planning, and documentation by the School Board and the School Budget Committee and submitted for consideration in the 2006 Capital Improvement Plan.

The CIP Committee also had some questions regarding a number of proposals submitted to the CIP Committee by the Water Department and Waste Water Treatment Facility within the DPW. Comparing to last year's CIP submissions, there were multiple projects that were moved to an earlier date, there were large increases in the same proposals for specific projects, and the proposed projects had much larger contingency fees included in the submissions. Since user fees exclusively support these capital improvement projects, we would like to see a rate study completed that aligns with a detailed capital improvement plan exclusive for the Water Department and the Waste Water Treatment Facility. The CIP was reluctant to prioritize a number of these projects for 2006 based on the changes in the projects from the 2004 CIP Plan compared to the submissions for consideration under the 2005 CIP Plan.

Final Recommendations by Planning Board for Plan Years 2006-2011

The table contains the following information:

- 1) Project Number identifies the Department Name (abbreviated), the sequence number of the project or that Department and the Year the Project was first included in the CIP.
- 2) Proposed project and the recommended sources of funding.
- 3) Vote Year identifies the year in which the project is recommended to be placed on the Town Warrant.
- 4) Year of Tax Impact identifies the year in which a tax impact will be recognized for the recommended project.

Recommended Projects Listed by Plan Year

PROJECT NUMBER	DEPARTMENT	PROPOSED PROJECTS & SOURCE OF FUNDING	Impact Fees	Vote Year	Year of Tax Impact	TOTAL COST	2006 AMOUNT	2007 AMOUNT	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT	2011 AMOUNT
ADMN01-01	Administration	Osgood Pond Maintenance	No	2006	2006	\$2,067,000	\$2,067,000	-	-	-	-	-
		Federal Grant	-	-	-	-	(1,331,550)	-	-	-	-	-
		In-Kind Contribution of Town Material and Svcs	-	-	-	-	(648,450)	-	-	-	-	-
		Capital Reserve Funds	-	-	-	-	(87,000)	-	-	-	-	-
DPWH01-01	Public Works	Dump Truck w/Plow & Sander Assembly 5 Year Lease Purchase	No	2006	2006	\$ 120,000	25,200	27,540	26,400	26,460	26,460	-
DPWH04-02	Public Works	Sicard Model 2200 Detachable Snow Blower 5 Year Lease Purchase	No	2006	2006	\$ 85,000	17,850	19,508	18,700	18,743	18,743	-
DPWH05-05	Public Works	Nashua Street Paving - Phase 1 10 Year Bond	No	2006	2007	\$ 300,000	-	45,000	43,500	42,000	40,500	39,000
PREC04-01	Parks & Recreation	Kaley Park 15 Year Bond	Yes	2006	2007	\$ 500,000	-	58,333	56,667	55,000	53,333	51,667
SCHL02-05	Milford Schools	Milford High School Small Renovations 3 Year Capital Outlay	No	2006	2006-08	\$ 750,000	250,000	250,000	250,000	-	-	-
SCHL04-05	Milford Schools	Milford High School Parking Capital Outlay	No	2006	2006	\$ 201,069	201,069	-	-	-	-	-
WATR01-01	Water Department	Elm St. Phase 1 Water Main Replacement	No	2006	2007	\$ 770,000	-	-	-	-	-	-
		10 Year Bond	-	-	-	-	-	115,500	111,650	107,800	103,950	100,100
		Water Fund User Fees	-	-	-	-	-	(115,500)	(111,650)	(107,800)	(103,950)	(100,100)
WATR02-01	Water Department	Mayflower Water Tank Rehabilitation	No	2006	2007	\$ 125,000	-	-	-	-	-	-
		10 Year Bond	-	-	-	-	-	18,750	18,125	17,500	16,875	16,250
		Water Fund User Fees	-	-	-	-	-	(18,750)	(18,125)	(17,500)	(16,875)	(16,250)

PROJECT NUMBER	DEPARTMENT	PROPOSED PROJECTS & SOURCE OF FUNDING	Impact Fees	Vote Year	Year of Tax Impact	TOTAL COST	2006 AMOUNT	2007 AMOUNT	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT	2011 AMOUNT
WWT02-02	Waste Water	Outfall Diffuser	No	2006	2007	\$ 342,500	-	-	-	-	-	-
		10 Year Bond	-	-	-	-	-	51,375	49,663	47,950	46,238	44,525
		State Grant - (20% of Principal)	-	-	-	-	-	(6,850)	(6,850)	(6,850)	(6,850)	(6,850)
		Sewer User Fees	-	-	-	-	-	(44,525)	(42,813)	(41,100)	(39,388)	(37,675)
AMBS02-01	Ambulance	Replace 1999 Ambulance 3 Year Lease Purchase	No	2007	2007	\$ 82,000	-	28,700	28,905	28,413	-	-
DPWH03-02	Public Works	Johnson Street Sweeper & Steel Hopper 5 Year Lease Purchase	No	2007	2007	\$ 110,000	-	23,100	25,245	24,200	24,255	24,255
DPWH07-05	Public Works	Elm Street Paving - Phase 1 10 Year Bond	No	2007	2008	\$ 300,000	-	-	45,000	43,500	42,000	40,500
FIRE01-05	Fire	Refurbish Ladder 1 Capital Outlay	No	2007	2007	\$ 103,000	-	103,000	-	-	-	-
FIRE03-02	Fire	Fire Station Expansion (School Street) 20 Year Bond	Yes	2007	2008	\$2,050,000	-	-	205,000	199,875	194,750	189,625
WATR04-02	Water Department	Union Street Water Main Replacement	No	2007	2008	\$ 541,584	-	-	-	-	-	-
		15 Year Bond	-	-	-	-	-	-	63,185	61,380	59,574	57,769
		Water Fund User Fees	-	-	-	-	-	-	(63,185)	(61,380)	(59,574)	(57,769)
WATR04-05	Water Department	Curtis Wells-Phase 1	No	2007	2008	\$ 259,875	-	-	-	-	-	-
		10 Year Bond	-	-	-	-	-	-	38,981	37,682	36,383	35,083
		Water Fund User Fees	-	-	-	-	-	-	(38,981)	(37,682)	(36,383)	(35,083)
WATR07-05	Water Department	Curtis Wells-Phase 2	No	2007	2008	\$ 350,900	-	-	-	-	-	-
		10 Year Bond	-	-	-	-	-	-	52,635	50,881	49,126	47,372
		Water Fund User Fees	-	-	-	-	-	-	(52,635)	(50,881)	(49,126)	(47,372)
DPWH09-05	Public Works	Mont Vernon Street - Paving 10 Year Bond	No	2008	2009	\$ 300,000	-	-	-	45,000	43,500	42,000
DPWH10-05	Public Works	Union Street Railroad Crossing	No	2008	2008	\$ 125,000	-	-	-	125,000	-	-
		Federal Grant (80%)	-	-	-	-	-	-	-	(100,000)	-	-
PREC02-02	Parks & Recreation	Adams Field Improvements Capital Outlay	No	2008	2008	\$ 89,900	-	-	89,900	-	-	-
SCHL03-02	Milford Schools	Milford High School Renovation	No	2008	2009	\$8,000,000	-	-	-	-	-	-
		20 Year Bond	-	-	-	-	-	-	-	800,000	780,000	760,000
		State Building Aid - (30% of Principal)	-	-	-	-	-	-	-	(120,000)	(120,000)	(120,000)
SCHL05-05	Milford Schools	Bales School Renovations	No	2008	2009	\$3,500,000	-	-	-	-	-	-
		20 Year Bond	-	-	-	-	-	-	-	350,000	341,250	332,500
		State Building Aid - (30% of Principal)	-	-	-	-	-	-	-	(52,500)	(52,500)	(52,500)

PROJECT NUMBER	DEPARTMENT	PROPOSED PROJECTS & SOURCE OF FUNDING	Impact Fees	Vote Year	Year of Tax Impact	TOTAL COST	2006 AMOUNT	2007 AMOUNT	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT	2011 AMOUNT
WATR05-05	Water Department	Water Service building	No	2008	2009	\$ 282,282	-	-	-	-	-	-
		10 Year Bond	-	-	-	-	-	-	-	42,342	40,931	39,519
		Water User Fees	-	-	-	-	-	-	-	(42,342)	(40,931)	(39,519)
WWTF01-01	Waste Water	Aeration WAS Tanks	No	2008	2009	\$ 960,988	-	-	-	-	-	-
		15 Year Bond	-	-	-	-	-	-	-	112,115	108,912	105,709
		State Grant - (20% of Principal)	-	-	-	-	-	-	-	(22,423)	(21,782)	(21,142)
		Sewer User Fees	-	-	-	-	-	-	-	(89,692)	(87,130)	(84,567)
WWTF05-02	Waste Water	Main Influent Pump Upgrade	No	2008	2009	\$ 638,000	-	-	-	-	-	-
		10 Year Bond	-	-	-	-	-	-	-	95,700	92,510	89,320
		State Grant - (20% of Principal)	-	-	-	-	-	-	-	(12,760)	(12,760)	(12,760)
		Sewer User Fees	-	-	-	-	-	-	-	(82,940)	(79,750)	(76,560)
WWTFC02-05	Waste Water (Collection System)	Sewer Separation Manhole Rehabilitation	No	2008	2008	\$ 172,629	-	-	-	-	-	-
		Capital Outlay	-	-	-	-	-	-	172,269	-	-	-
		Sewer User Fees	-	-	-	-	-	-	(172,269)	-	-	-
DPWH02-01	Public Works	Dump Truck w/Plow & Sander Assembly 5 Year Lease Purchase	No	2009	2009	\$ 120,000	-	-	-	25,200	27,540	26,400
DPWH06-05	Public Works	Town Wide Drainage Replacement 10 Year Bond	No	2009	2010	\$ 225,000	-	-	-	-	33,750	32,625
DPWH08-05	Public Works	Tractor/Loader Backhoe 5 Year Lease Purchase	No	2009	2009	\$ 90,000	-	-	-	18,900	20,655	19,800
WATR06-05	Water Department	Elm St. Phase 2 Water Main Replacement	No	2009	2010	\$1,240,000	-	-	-	-	-	-
		15 Year Bond	-	-	-	-	-	-	-	-	144,667	140,533
		Water Fund User Fees	-	-	-	-	-	-	-	-	(144,667)	(140,533)
WWTF04-02	Waste Water	Septage Receiving Facility	No	2009	2010	\$1,127,467	-	-	-	-	-	-
		20 Year Bond	-	-	-	-	-	-	-	-	112,747	109,928
		State Grant - (20% of Principal)	-	-	-	-	-	-	-	-	(11,275)	(11,275)
		Sewer Septage Fees	-	-	-	-	-	-	-	-	(101,472)	(98,653)
WWTFC01-05	Waste Water (Collection System)	Sewer Rehabilitation	No	2009	2009	\$ 307,993	-	-	-	-	-	-
		Capital Outlay	-	-	-	-	-	-	-	307,993	-	-
		Sewer User Fees	-	-	-	-	-	-	-	(307,993)	-	-
WWTF08-02	Waste Water	Mechanical Screen at Main Pump Station	No	2009	2010	\$ 892,403	-	-	-	-	-	-
		15 Year Bond	-	-	-	-	-	-	-	-	104,114	101,139
		State Grant - (20% of Principal)	-	-	-	-	-	-	-	-	(11,899)	(11,899)
		Sewer User Fees	-	-	-	-	-	-	-	-	(92,215)	(89,240)
FIRE04-05	Fire	Rescue 1 Replacement 5 Year Lease Purchase	No	2010	2010	\$ 450,000	-	-	-	-	94,500	103,275

PROJECT NUMBER	DEPARTMENT	PROPOSED PROJECTS & SOURCE OF FUNDING	Impact Fees	Vote Year	Year of Tax Impact	TOTAL COST	2006 AMOUNT	2007 AMOUNT	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT	2011 AMOUNT
LIBR01-01	Library	Library Expansion and Renovation	Yes	2010	2011	\$2,400,000	-	-	-	-	-	-
		Webster Trust Fund & Donations	-	-	-	-	-	-	-	-	-	240,000
		20 Year Bond	-	-	-	-	-	-	-	-	-	(200,000)
PREC06-02	Parks & Recreation	Heron Pond Recreation Complex 10 Year Bond	Yes	2011	2012	\$ 650,000	-	-	-	-	-	-
SCHL01-02	Milford Schools	Milford High School Track & Fields	Yes	2011	2012	\$1,500,000	-	-	-	-	-	-
		Donations/Bequests	-	-	-	\$(300,000)	-	-	-	-	-	-

Total of New Projects - paid by General Taxation:		\$ 494,119	\$ 555,181	\$ 789,317	\$ 1,529,791	\$ 1,568,736	\$ 1,529,147
Estimated Tax Rate per Thousand - New Projects		\$ 0.59	\$ 0.65	\$ 0.91	\$ 1.73	\$ 1.74	\$ 1.66

Total of Existing Projects paid by General Taxation - from Table 2		\$2,421,483	\$2,218,007	\$2,107,387	\$1,980,876	\$ 1,709,110	\$ 1,590,646
Estimated Tax Rate per Thousand - Existing Projects		\$ 2.91	\$ 2.61	\$ 2.43	\$ 2.24	\$ 1.90	\$ 1.73

TOTAL OF ALL PROJECTS		\$2,915,602	\$2,773,188	\$2,896,704	\$3,510,667	\$ 3,277,846	\$ 3,119,793
ESTIMATED TAX RATE PER THOUSAND		\$ 3.50	\$ 3.27	\$ 3.34	\$ 3.97	\$ 3.64	\$ 3.39

ESTIMATED ASSESSED VALUATION (\$\$)		\$832,360,341	\$849,007,548	\$865,987,699	\$883,307,453	\$ 900,973,602	\$ 918,993,074
(Assumes 2% Growth)							